

CITY OF MIAMI BEACH  
Office of the City Manager  
Letter to Commission No. 167-2004



To: Mayor David Dermer and  
Members of the City Commission

Date: July 7, 2004

From: Jorge M. Gonzalez  
City Manager

Subject: **FY 04/05 BUDGET - DEPARTMENT BUDGET EFFICIENCY/REDUCTION  
OPTIONS AND SERVICE ENHANCEMENT PROPOSALS**

The purpose of this LTC is to provide you with additional information to help you further prepare for the upcoming budget discussions.

As you know, during the budget cycles of the past several years, I have asked each department to identify Budget Efficiency/Reduction Options as well as Service Enhancement Proposals for General Fund, Internal Service Fund and Enterprise Fund Departments. Attached is a compilation of this year's effort. It should be noted that no final decisions have yet been made.

Again, this year's budget process is challenging due to continued increases in pension costs, health insurance, and merit and cost of living increases associated with existing labor agreements, the impacts of the living wage ordinance, increased cost of fuel, and other consumables. In addition, new operating costs associated with bringing major capital projects on line this year must be funded. Based on the final tax roll released by the property appraiser on July 1, the department adjustment options may be used to address a \$3 million gap in the General Fund associated with the increased cost of current service levels. The adjustments may also be used to fund some of the more important service enhancements proposed by the Departments. In addition, some of the proposed budget adjustment options reflect efficiency improvements to service delivery.

At the same time, I will be looking at the impact of other potential revenue sources such as increases in the Resort Tax contribution to the General Fund, examining the administrative fees paid to the General Fund by Enterprise Fund Departments, and the ability to pay retiree health insurance through the pension systems as other alternatives to balance our FY 04/05 budget without the need to adjust our millage rate or basic fees.

As the Commission requested in its March 10, 2004 Budget Workshop, the attached is provided for your information as we proceed to balance the FY 04/05 Budget. If there is any direction or guidance you wish to provide or if there is additional information you need, please feel free to contact me. The Commission budget workshops are scheduled for Monday, July 12<sup>th</sup> at 2:00 p.m., Friday, July 16<sup>th</sup> at 10:00 a.m. and Tuesday, July 20<sup>th</sup> at 2:00 p.m.

JMG\KGB

Attachment

c: Executive Staff  
Management and Budget Staff

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04 JUL - 7 PM 5:15  
CITY CLERK'S OFFICE